Restricted Gifts

All restricted gifts for the benefit of Arkansas State University shall be reviewed by the vice chancellor of University Advancement, in conjunction with the unit designated to receive the gift, as well as the ASU System Foundation.

Acceptance of a gift imposes a legal obligation to comply with the terms established by the donor. Therefore, the nature and extent of this obligation must be clearly understood. Accordingly, the terms of each restricted gift will be reviewed carefully to ensure that they do not hamper the usefulness and desirability of the gift for the benefit of the university. If a gift is deemed unacceptable because of restrictions the donor has placed on its use, the donor shall be counseled to remove or modify the restrictions.

Gifts shall be refused or returned when the purpose:

1. Is inappropriate or not conducive to the best interest of the university,
2. Is clearly commercial, or
3. Would obligate the university to undertake responsibilities, financial or otherwise, that it may not be capable of meeting during the period required by the terms of the gift.

Restricted gifts which are unacceptable are those:

1. Restricted in use based on race, color, religion, creed, nationality, or sex.
2. Restricted in beneficiary to relatives or descendants.
3. Reserving the designation of beneficiary of gift to the donor or his or her assigns: i.e., scholarships, fellowships, professorship. (Such "gifts" restrict donor tax consequences.)
4. Restricted to the future employment of the recipient of any gift.
5. Restricted by interest rates and conditions for repayment of loans.

All gifts received for restricted endowment purposes, when accepted, shall be accepted only on the condition that should the purpose for which the funds are provided cease to exist, the Foundation Board shall reallocate the income from those funds to purposes relating as closely as possible to the original intent of the donor. Such provisions should be provided in all wills and other planned giving instruments and devises as far as possible.

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